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TAGS: ETRD PGOV KIPR KDEM PINR KPAL LE

SUBJECT: HEALTH MINISTER TOUTS MINISTRY'S COMMITMENT TO IPR

Classified By: Ambassador Michele J. Sison for reasons
1.4 (b) and (d).

¶1. (C) Summary: Minister of Health Mohammad Khalifeh informed the Ambassador January 22 that earlier that morning he had worked with the chief prosecutor's office to issue arrest warrants for individuals involved in a counterfeit pharmaceutical smuggling ring. Proud of the ministry's accomplishment, Khalifeh emphasized his commitment to protecting intellectual property rights and instituting good governance in the public health sector. He also relayed that he recently signed an agreement to allow up to ten Palestinian nurses to work full-time in Beirut hospitals on temporary work permits. On politics, Khalifeh assessed that Lebanon's political situation was "calm" and he was hopeful that the mood would remain. He characterized recent discussions about deconfessionalization as a necessary step, but alleged the media was responsible for inciting political sensitivities. Khalifeh suggested that municipal elections should be delayed until "real reforms" were included in the election law. End summary.

PHARMACEUTICAL SMUGGLING RING DISRUPTED

¶12. (SBU) Minister Khalifeh confirmed that the morning of January 22 he had coordinated with Lebanese Prosecutor General Saeed Mirza to issue arrest warrants for individuals suspected of involvement in a counterfeit pharmaceutical smuggling ring. The alleged counterfeit drug -- a copycat of the name-brand heart medication Plavix -- originated in China, transited Dubai, and entered Lebanon, Khalifeh said. The health ministry had tracked the network for some time and the counterfeit was being distributed and sold in at least nine pharmacies throughout Lebanon, including in a village in Sarafand (south Lebanon) where Khalifeh's brother is mayor, he reported. As a result of the investigation, Khalifeh said, he planned to institute a new program in the public health sector to tag or code with machine-readable technology original medicines at the point of entry to verify that the drug was not a counterfeit.

PROMOTING "GOOD GOVERNANCE"
IN THE HEALTH SECTOR

¶13. (SBU) The Ambassador urged Khalifeh to use the success in stopping the smuggling ring to pursue other measures to strengthen Lebanon's protection of intellectual property rights (IPR). Khalifeh acknowledged that while the process

had been slow, the health ministry was coordinating with the ministry of economy and trade (MOET) on IPR legislation and implementation. He said he had confirmed to the Pharmaceutical Research and Manufacturers of America (PhRMA) representative in Lebanon in a meeting January 21 that all registered medicines, without exception, must comply with the rules established by MOET. The bureaucracy was "slow" and should be improved, Khalifeh complained, especially inside the Council for Development and Reconstruction, which executes infrastructure projects for the ministry, including the construction of a new ministry headquarters.

¶4. (SBU) On a more positive note, Khalifeh said that the World Health Organization (WHO) had recently finished phase two of its monitoring project to measure transparency and good governance in Lebanon's public health sector. Khalifeh boasted that Lebanon was "on track" and preparations were underway to begin phase three of the project: implementation.

Khalifeh clarified that before he took over the leadership of the ministry in 2008, there were no systems or accountability in place. Now, he boasted, internal management controls had been improved, professional and educational qualifications had been upgraded for positions in the ministry, a national identification card system to improve the distribution network of health services was almost ready, and the ministry was in the final stages of acquiring approval for the American University of Beirut to conduct advanced clinical trials in Lebanon in accordance with international standards.

¶5. (SBU) In addition, Khalifeh said, the ministry had recently signed an agreement with the UN Relief and Works Agency (UNRWA) to permit up to ten Palestinian refugee nurses to work on one-year, renewable work permits in Lebanese hospitals. He emphasized that the agreement was only a first step, but a necessary one. Lebanon's hospitals were suffering a shortage of nurses and offering work permits to Palestinian nurse would contribute to improved livelihoods for Palestinian families in Lebanon's refugee camps, while also benefitting Lebanon, he believed.

HESITATION ABOUT ADDRESSING SYSTEMIC REFORM

¶6. (C) Turning to politics, Khalifeh opined that the recent debate about the formation of a committee to study deconfessionalization was a necessary and useful step in Lebanon's political development. He noted that even if a committee convened to study the issue, passage of any eventual legislation would require a two-thirds vote in parliament. In Lebanon, if any consensus were reached with at least two-thirds, "it is clearly the right decision," he argued. When asked how the predominantly Shia constituents of his native south Lebanon viewed deconfessionalization, he said that the Shia and the GOL needed deconfessionalization not to gain power, but to push people toward state institutions. Khalifeh theorized that most politicians also supported a deconfessionalized system but could not say so publicly for fear of being castigated by the media and their own sectarian groups.

¶7. (C) Similarly, Khalifeh supported adopting reforms to the election law -- such as lowering the voting age to 18 -- that would take effect in the 2010 municipal elections. He said he urged Minister of Interior Ziad Baroud not to fix a date for the elections until needed reforms were passed that would ensure that municipalities would work effectively the day after the election. Local districts needed to be empowered to collect revenues and develop local institutions, he argued, but some politicians resisted because "no one wants to be the first" to call for reforms that would affect their personal stature, he assessed. If the goal were merely to hold the municipal elections as an exercise, he pointed out, then the reforms did not matter; however, the goal should be higher, Khalifeh insisted.

COLLEGIAL CABINET...SO FAR

¶ 8. (C) Khalifeh, who believed that most of the ministers were trying hard to stay positive and deliver results to the Lebanese public, characterized the environment among the ministers during the first few cabinet meetings as quiet and calm. He complained, however, that systemic changes were necessary because 70% of the issues that required cabinet approval would be better handled at the local level instead. He also worried that the media was irresponsibly stirring up tensions on controversial issues, such as election reform.

¶ 9. (C) Comment: Khalifeh's talk of disrupting the counterfeit pharmaceutical smuggling ring and improving cooperation with the ministry of economy and trade give the impression that Khalifeh is committed to improving IPR protection at his ministry during his second term as health minister. Nonetheless, his blanket statement that medicines "must comply with MOET rules" demonstrates his lack of understanding that the "rules" in question are Lebanese law, and that his ministry is responsible for ensuring that drugs under patent at the MOET are not registered in Lebanon. PhRMA head Yacoub Haddad told us his January 21 meeting with Khalifeh was broad in scope, and though he was not able to broach the thornier areas of disagreement between his organization and the ministry, he was encouraged that Khalifeh agreed to hold regular meetings with PhRMA going forward. Meanwhile, contacts at the Ministry of Economy confirmed that they will hold their first meeting in recent memory with Khalifeh in mid-February, to discuss the use of "undisclosed information" in drug registration. Khalifeh has a lot still to accomplish on IPR, but there are finally signs of progress.

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